

**Congress of the United States**  
**Washington, DC 20515**

March 18, 2010

Attorney General Eric H. Holder, Jr.  
Robert F. Kennedy Department of Justice Building  
950 Pennsylvania Avenue, NW  
Washington, D.C. 20530

Dear Attorney General Holder:

We are contacting you as a follow up to the letter of January 26, 2010 by Chairman Bennie G. Thompson, Chairman of the House Committee on Homeland Security.

As you may know, the General Services Administration (GSA) recently completed public auctions for tens of thousands of Temporary Housing Units (THU's). However, final disposition of these units cannot occur until the Department of Justice examines the sales for antitrust implications and renders a determination.

These units, commonly called "trailers" were originally purchased by the Federal Emergency Management Agency (FEMA) to provide interim shelter to survivors of Hurricanes Katrina and Rita. However, it soon became apparent that many of these units were contaminated by formaldehyde. Therefore, at the urging of Congress, FEMA did not deploy these units for use by disaster survivors. Our concerns about the adverse health effects of living in these units have only increased with each succeeding year.

Thus, for almost five years, over 100,000 of these units have remained unoccupied. The trailers are stored in discrete groupings on open air lots. Exposure to various weather conditions while stored on these open air lots have caused many of these formaldehyde contaminated trailers to be further contaminated with mold and mildew. These are the units that FEMA now seeks to sell as "excess" federal property through the General Service's Administration's public auction apparatus.

Under 40 U.S.C 488, the disposal of certain Federal property requires a determination from the Department of Justice as to whether the sale "would tend to create or maintain a situation inconsistent with the antitrust laws." The Department has determined that there are "no antitrust concerns" with this massive sale. It was able to reach that conclusion by separately examining the circumstances surrounding the sale of each discrete group of trailers.

Unfortunately, this analysis was inappropriate. An analysis that examines each individual sale does not consider the “big picture” and thus cannot purport to scrutinize the effect on the market. To understand the antitrust implications on a “market” one must look at the totality of the market and include facts about the market. The Department of Justice analysis ignored that the combined sale of these trailers will total over 103,000 units. The industry estimates that a total of 159,500 travel trailers were sold in 2009 and estimate that numbers for 2010 could reach 203,500<sup>1</sup>. Thus, an appropriate analytical framework would examine the impact that these GSA sponsored trailer sales– in their entirety – will have on the THU market. We find it difficult to believe that dumping over 100,000 used THUs, approximately fifty percent of the entire THU market, into the stream of commerce will not create a substantial and negative effect on the price and supply of trailers. Furthermore, given the recent safety concerns involving formaldehyde poisoning, we must also have guarantees that these units are safe enough for potential buyers and occupants.

Thus we urge you to reevaluate the sale of the THUs for antitrust violations in light of the impact that these sales, taken as a whole, might have on the THU market and respectfully request that the Department intervene to halt the further sale of the THUs.

Thank you for your attention to this matter.

Sincerely,



BENNIE G. THOMPSON  
Member of Congress



DIANE E. WATSON  
Member of Congress



MIKE ROSS  
Member of Congress

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<sup>1</sup> See <http://www.rvlife.com/index.php/News-Brief/improved-rv-sales-predicted.html>